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YOU CAN CREATE MARKET DEMAND WITH CUTS

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Fresh cut flower production in the United States today is definitely going through some major changes. Growers are experiencing all kinds of stresses — competition from foreign imports, dramatic increases in all costs, especially for energy and labor. The market situation is also changing rapidly. There is an apparent trend for consumers to transfer purchases from flowers and potted plants into other consumer goods, particularly as prices approach the breaking point in traditional florist outlets. Supermarkets and other chains still have a strong interest in the potential sales of floral products although the growth rate is slacking.

One of the biggest dilemmas today is "what to grow next"? There are at least 50 fresh cut crops being produced in Southern California. The bulk of these items are grown out-of-doors during the fall, winter and spring months. Only 3 major items are grown in greenhouses — pompons, carnations and roses. Growers are divided into various categories:

1. Those going slowly broke because of worn-out facilities, poor management, or poor sales organization.
2. Those hanging in there because investments were made years ago, but with tighter management and good sales organization profits are being nearly maintained.
3. A few of those who are trying "new" crops that are highly profitable because they are a breath of fresh air in the market place. These growers are "mixing it up" with several seasonal crops plus the old stand-bys.

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I don't intend to minimize the importance of production techniques. To survive today, a grower must be able to maximize production with optimum control of environmental conditions and eliminating all losses by diseases and pests. In other words, the final goal still is that unreachable combination of high production and high quality — at the best time and price. Assuming that the best growers can nearly achieve production goals, I would say that the greatest difficulty at the moment is in the subject area known as "post-harvest" handling.

Since returning from my recent sabbatical study tour with 3 months in Israel and 3 months in Europe, I am convinced that only 30 percent of American grown cut flowers would sell on a Dutch or German auction market. American flower growers are simply not doing a consistent job of harvesting each flower type at its best maturity. Growers are not always doing the best job of grading, bunching, and sleeving. Not enough growers and shippers are taking advantage of proper cooling and conditioning with floral preservatives. There is too much time lost in the marketing system, particularly if each handler — grower, shipper, wholesaler, retailer — is working off the oldest merchandise. The consumers in America are basically buying cut flowers with no life left, there is a limited selection, and the consumer prices are too high at the traditional florist level.

At this moment we seem to be on a collision course for cut flowers in America. While the consumers are balking because of high retail prices, many growers are not getting enough return per unit to cover increasing costs and make a good profit. Our domestic production of some major cut flowers — standard carnations, roses, and gladioli — is down for 1978 according to the USDA report of March 1979. Chrysanthemums seem to be holding their own despite increased imports.

One of the most serious problems facing the U.S. flower industry is distribution; that is, the rapidly increasing cost of transportation, especially air freight rates. In addition, the airlines have removed numerous transcontinental and feeder flights which seriously limits flower distribution to all markets. I have heard many reports just recently of the freight costs exceeding the value of the merchandise. If we rely more on refrigerated trucks, pre-cooling and other conditioning will become even more important.

With this background discussion, we can develop some possible plans for the future. We have to accept certain assumptions to develop our plan. These assumptions and responses for planning are as follows:

1. Consumers need higher quality, fresher products at cheaper retail prices.

Response - grow products closer to market. Intensify production in completely insulated greenhouses to save energy. Growers will form Dutch auction market cooperatives to gain control of their market destiny and to move fresh-harvested products daily, eliminating middlemen. Traditional retailers and mass merchandisers will buy daily off the grower-controlled auctions. Wholesalers will continue to function in distribution and packaging.

2. Consumers want more color and a larger variety of merchandise.

Response - growers will produce more seasonal crops as a total production plan, still retaining the most saleable cultivars of the major crops. The Dutch continue to grow a larger variety of cut flowers than we in America.

3. More flowers will be sold through high traffic outlets.

Response - wholesalers and larger producers will pool as many items as possible, package bouquets, and deal directly with mass merchandisers. Training programs for mass merchandisers and encouragement to use refrigerated displays and floral preservatives will be integrated services. Packaging and distribution will be side functions of wholesalers at local auction cooperatives.

4. Foreign imports will continue as long as labor and transportation allows the products to compete with domestic production.

Response - the industry will continue to lobby for quotas and cut-off dates for imports so that marketing within the U.S. is more orderly. Demand projections and promotion programs will be analyzed each year, as is done in Europe. The market will be developed in an orderly fashion. Imports will be channeled through the auction cooperatives instead of independently distributed.

So which other cut flowers should greenhouse growers consider to expand their base? Fortunately, the two crops I would suggest first are "cool" or low energy items. They are Dutch *freesias* and *alstroeneria*. The Dutch breeders, both private and public, have done an outstanding job developing cultivars of these two crops. Because of cool temperatures, basically year-round in Europe, freesias are produced all year. *Alstroeneria* can be produced all year, but unfortunately comes in heaviest during June, July and August.

Other "cool" crops, even though produced out-of-doors in Southern California, Florida or Colombia, should be

considered for greenhouse production close to market. Quality and intensification could make them profitable. These crops are *Sweet William*, *gypsophila*, *candytuft*, *ranunculus*, *bulbous iris* and *calendula*. Two old standbys have strong opportunity to be increased and improved for local markets — they are *snapdragons* and *spray (or miniature) carnations*. Cut *cyclamen* are produced in Europe — cyclamen as cut flowers hold up very well. In Israel a grower was producing a tall cultivar of a red-flowered *kalanchoe* as a cut flower. Five other cut flowers that should be looked at again are *tulips*, *calendula*, *ixia*, *sweetpeas*, and *campanulas* — all "cool" crops.

Another group of cut flowers that can be grown at least partially cool and finished at slightly warmer temperatures are cut *lilies*, *statice* (2 or 3 types), *asters*, *delphinium*, *larkspur*, *nerines*, *celosia* (2 types), *gloriosa* and *allium*. In Europe, there are virtually no lilies grown as pot plants. Instead, cut lilies are a big cut flower crop — they include the Easter Lily (*L. longiflorum*) as well as the American developed "Mid-Century" hybrids (Enchantment, etc.) plus the Tiger Lily and others. The Dutch are developing many new types of lilies, as this crop expands.

A third group of cut flowers in the "warm" category that definitely should be continued are *pompons*, particularly the "button" and "daisy" types; also *sweetheart* and *junior tea roses*. *Miniature gladioli* should be considered for greenhouse production, planting 250,000 to 300,000 corms per acre and lighting in mid-winter. The "Pixiola" corms have a big future for bouquets. The *gerbera* is a sleeping giant. It is becoming a very important cut flower in Holland with much greenhouse expansion for this crop. The secret is vegetative propagation of proven Dutch hybrids and good culture. *Liatris*, a somewhat tricky flower to grow (and an American native) is a good cut flower grown in Europe and Israel. It is one of few flowers that blooms from the "top down." Other flowers in the warm category that should be considered in an annual rotation program are *asters*, *bouvardia*, *pyrethrum*, *zinnias*, and *dahlias*.

And finally, there are some "crystal ball" crops that are grown here or in Europe as cut flowers in a very minor way but bear a new consideration. They are *anigozanthos* (Kangaroo Paw), *Euphorbia fulgens*, *hippeastrum*, *eremurus*, *helianthus* (small sunflower), *alpinia pururata*, *callas* (yellow and pink), and *ruscus hypoglossum*. The latter is a glossy green liliaceous cut foliage suddenly produced in Israel and popular in Europe.

It is easy for me to rattle off potentially good cut flower crops for expanding markets. I do not pretend to know the economic feasibility of producing all these crops. I am merely suggesting these crops should be tried again and again. I want to re-emphasize that I am suggesting these crops for a "new era" of more local production in energy-efficient greenhouses closer to markets. I am suggesting these crops be sold in grower-owned markets with more of these crops being programmed for packaging in bouquets with plastic sleeves and sold directly (or with one middleman at the most) to large retail merchandisers.

The consumer in this "new era" will get a larger variety of fresher flowers at a fair price.